



NEWS RELEASE

Kuala Lumpur
30 November 2012

TM POSTS RECORD 9 MONTHS YTD 2012 REVENUE GROWTH OF 7.2% TO RM 7.2 BILLION; PROFIT SURGES 51.9% TO RM900.5 MILLION

Highlights of 9 Months YTD 2012:

- Positive revenue growth of 7.2% YTD to RM7.2 billion
- PATAMI surged 51.9% to RM900.5 million YTD
- EBITDA improved 1.8% YTD to RM2.3 billion
- Maintains position as Malaysia's broadband champion; healthy YOY broadband customer growth of 8.4% to 2.03 million
- Internet revenue growth remained strong at 19.6%
- Robust UniFi take up at 35% with more than 462,000 customers activated to date

Telekom Malaysia Berhad (TM) today announced record Group revenue of RM7.2 billion posted for the nine months ended 30 September 2012 from RM6.7 billion in the corresponding period last year, a 7.2% growth YTD. The improved performance was achieved on the back of continued momentum across all key products – Internet and multimedia, data and other telecommunications services product lines.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) grew by 1.8% YTD from RM2.29 billion in 3Q2011 to RM2.33 billion in 3Q2012 attributable to higher operating revenue. Normalised EBITDA after adjusting for FX loss on International trade settlement was also higher by 1.7% due to higher revenue. Group Profit After Tax And Minority Interest (PATAMI) rose 51.9% YTD to RM900.5 million as compared to RM592.7 million in the corresponding period in 2011 due to the higher revenue, recognition of deferred tax income on unutilised tax incentives and higher unrealised foreign exchange gain on foreign currency borrowings in the current year period, partially offset by lower other gains. Normalised PATAMI also rose 50.1% YTD from RM394.7 million to RM592.5 million due to higher revenue and lower tax expense.

"We're happy to note that TM continued to progress well financially and operationally with our performance being in line with our Headline KPI's. For the first 9 months of 2012, we posted record Group revenue of RM7.2 billion, an increase of 7.2% against the corresponding period last year. This growth was attributed to positive growth in Internet, data and other telecommunications services revenue. Both our Reported and Normalised EBITDA improved by 1.8% and 1.7% respectively, to RM2.33 billion and RM2.34 billion respectively. Our Reported and Normalised PATAMI showed significant growth of 51.9% and 50.1% respectively to RM900.5 million and RM592.5 million respectively. We also reported an improvement in capital

Key Take-aways

1. **Revenue growth of 7.2% to RM7.2 billion led by revenue growth from Internet and multimedia, data services and other telecommunications related services**
2. **EBITDA grew 1.8% to RM2.3 billion**
3. **PATAMI grew 51.9% to RM900.5 million**
4. **Quote: "We're happy to note that TM continued to progress well financially and operationally with our performance being in line with our Headline KPI's...." (cont'd in body)**

and cost efficiencies, with our capex/revenue ratio reducing from 21.2% for YTD Sept 2011 to 19.8% this year. Cost as percentage of revenue also improved from 89.7% to 89.1%. Overall, our revenue by product showed positive growth across data, Internet & multimedia and other telecommunications revenue. Broadband remained the key driver of the Group's revenue with Internet revenue continuing to record the highest growth, at 19.6%, to RM1.75 billion owing to the growth in broadband customers, particularly UniFi. Data revenue increased by 6.2% to RM1.56 billion against RM1.47 billion in YTD Sept 2011," said Dato' Sri Zamzamzairani Mohd Isa, Group Chief Executive Officer, TM.

TM further entrenched its leadership position as Malaysia's Broadband Champion, with its UniFi service continuing to show strong takeup. Together with Streamyx, its total broadband customer base has exceeded 2.03 million customers, at a growth rate of 8.4% YTD against the same period last year. To date, the customer base has grown 9.7% to reach 2.05 million compared to YTD Sept 2011.

Dato' Sri Zam went on to comment, "We remain committed to our mission as the trusted broadband provider for the nation, evidenced by our strong customer base. UniFi continues to grow, with an achievement of more than 427,000 customers as at 3Q2012. HSBB now covers 1.32 million premises passed with coverage extended to 94 exchange areas covering the East Coast of Peninsular Malaysia as well as East Malaysia. To date, we have more than 462,000 customers, which translate into a take up rate of about 35% of the premises passed. We are indeed on track to meet our PPP obligations by the end of this year.

Although we anticipate that the broadband space will be more competitive in the coming year, we are optimistic that we can meet these challenges with the high value proposition of our products and services."

Prospects for the Current Financial Year Ending 31 December 2012

The Company will remain focused in maintaining its position as Malaysia's Broadband Champion anchoring on Streamyx and UniFi as its key broadband products whilst intensifying its efforts to pursue quality improvement programmes towards delivering enhanced customer experience. TM will continue to boost its footing in ICT and Business Process Outsourcing (BPO) services, primarily for the business and enterprise segments in its efforts to transform the Company into an integrated Information Exchange.

Against this backdrop, the Company's efforts will be focused on creating value for its stakeholders. However, with due regard to the global economic uncertainty, industry liberalisation, regulatory changes and intensely competitive telecommunication landscape, barring unforeseen circumstances the Board of Directors expects TM's growth prospects for the financial year ending 31 December 2012 to remain positive.

5. Broadband customers base

- Increased 8.4% to 2.03 million in YTD2012 maintaining leadership position as Malaysia's Broadband Champion
- To date, grew 9.7% to 2.05 million customers

6. HSBB highlights: 3Q 2012

- Strong growth of UniFi customers to 427,000 in 3Q2012

Updates

- To date, UniFi customers have reached more than 462,000; take up rate of 35% of the premises passed
- HSBB coverage extended to 94 exchange areas covering 1.32 million premises passed
- On track to increase the service coverage to a total of 98 exchange areas by end 2012 for a total of 1.34 million premises passed

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About TM

Telekom Malaysia Berhad (TM), Malaysia's broadband champion and leading integrated information and communications group, offers a comprehensive range of communication services and solutions in broadband, data and fixed-line. As a market leader, TM is driven by stakeholder value creation in a highly competitive environment. The Group places emphasis on delivering an enhanced customer experience via continuous customer service quality improvements and innovations, whilst focusing on increased operational efficiency and productivity.

Leveraging on our extensive global connectivity, network infrastructure and collective expertise, TM is well positioned to propel Malaysia as a regional Internet hub and digital gateway for South-East Asia. TM remains steadfast in its transformation into a new generation communications provider to deliver an enhanced and integrated digital lifestyle to all Malaysians, and opening up possibilities through connection, communication and collaboration, towards our shared vision of elevating the nation into a high-income economy.

As a model corporate citizen committed to good governance and transparency, TM continues its pledge to ensure the integrity of our processes, people and reputation as well as the sustainability of our operations. Our Corporate Responsibility (CR) ethos reinforces responsible behaviour in the four main domains of the marketplace, workplace, the community and the environment. With a focus on ICT, the Group further promotes 3 major platforms i.e. education, community/nation-building and environment, through our Reaching Out programmes.

TM is also a multiple corporate awards winner, having been recognised consistently for our high standards in Corporate Governance as well as the Anugerah CSR Perdana Menteri for Best Workplace Practices two years consecutively, in 2009 and 2010. TM was most recently honoured with 5 National Annual Corporate Report Awards (NACRA) 2010, notably the Platinum Award for CSR; and 4 Frost and Sullivan Malaysia Excellence Awards 2011, including Best Broadband Service Provider of the Year. TM was also named the Fixed Broadband Provider of the Year award at 2012 Frost & Sullivan Asia Pacific ICT Awards.

For further information on TM, visit www.tm.com.my.

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